

Introduced by Senator Lowenthal

February 24, 2012

An act to amend Section 16500 of the Government Code, relating to state funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1508, as introduced, Lowenthal. State funds: deposit: eligible bank.

Existing law requires the Treasurer to, if possible, deposit all money in the State Treasury or under the control of the Treasurer into an eligible bank. Existing law defines an "eligible bank" to mean a state or national bank located in this state, selected by the Treasurer for the safekeeping of money belonging to or in the custody of the state, that has received an overall rating of not less than satisfactory in its most recent evaluation by the appropriate federal financial supervisory agency of the bank's record of meeting the credit needs of the state's communities, including low- and moderate-income neighborhoods.

Existing law authorizes the California Infrastructure and Economic Development Bank to carry out various powers and duties relating to encouraging the development of infrastructure and economic development, including, among others, to enter into loan agreements with a sponsor or a participating party, as defined, in order to finance a project related to infrastructure or economic development, and to receive money from any source to finance the development of a project.

This bill would revise the definition of an eligible bank to also include the California Infrastructure and Economic Development Bank.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16500 of the Government Code is
2 amended to read:
3 16500. (a) As used in this chapter, “eligible bank” means a
4 state or national bank located in this state, selected by the Treasurer
5 for the safekeeping of money belonging to or in the custody of the
6 state, that has received an overall rating of not less than
7 “satisfactory” in its most recent evaluation by the appropriate
8 federal financial supervisory agency of the bank’s record of
9 meeting the credit needs of the state’s communities, including low-
10 and moderate-income neighborhoods, pursuant to Section 2906
11 of Title 12 of the United States Code *Sec. 2906*. An eligible bank
12 is eligible to receive deposits only to the extent that it furnishes
13 the security required by this chapter.
14 (b) *For purposes of this chapter, an “eligible bank” shall also*
15 *mean the California Infrastructure and Economic Development*
16 *Bank.*

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